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## THE HUMAN SIDE OF CHANGE- A QUALITATIVE RESEARCH ON A PUBLIC SECTOR HOSPITAL MERGER

EDUARDO RAFAEL DOS SANTOS AMORIM #15000838

A Project carried out under the supervision of:

Professor Pedro Neves

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*ABSTRACT: Despite an increasing prominence on both psychological and human aspects of mergers, available literature is still largely focused on financial and market sides of mergers. Challenges associated with redesigning internal processes, building up new teams or change deep-seated routines - acquired over time - are often underestimated. Mergers can offer valuable evidence on how difficult it is to implement change. A comparative qualitative research was conducted in order to assess the merger of two public Portuguese hospitals under the scope of readiness for organizational change. Results indicated that, in such an early stage of change, employees from both hospitals seem supportive towards change, showing remarkable togetherness identifying the need for change. Hence, compliance with top management decisions was also found to be high. A linkage was found between organizational tenure and the perceived readiness for organizational change, such that nurses working for a shorter period of time at both hospitals displayed higher levels of uncertainty regarding the possible outcomes associated with the merger.*

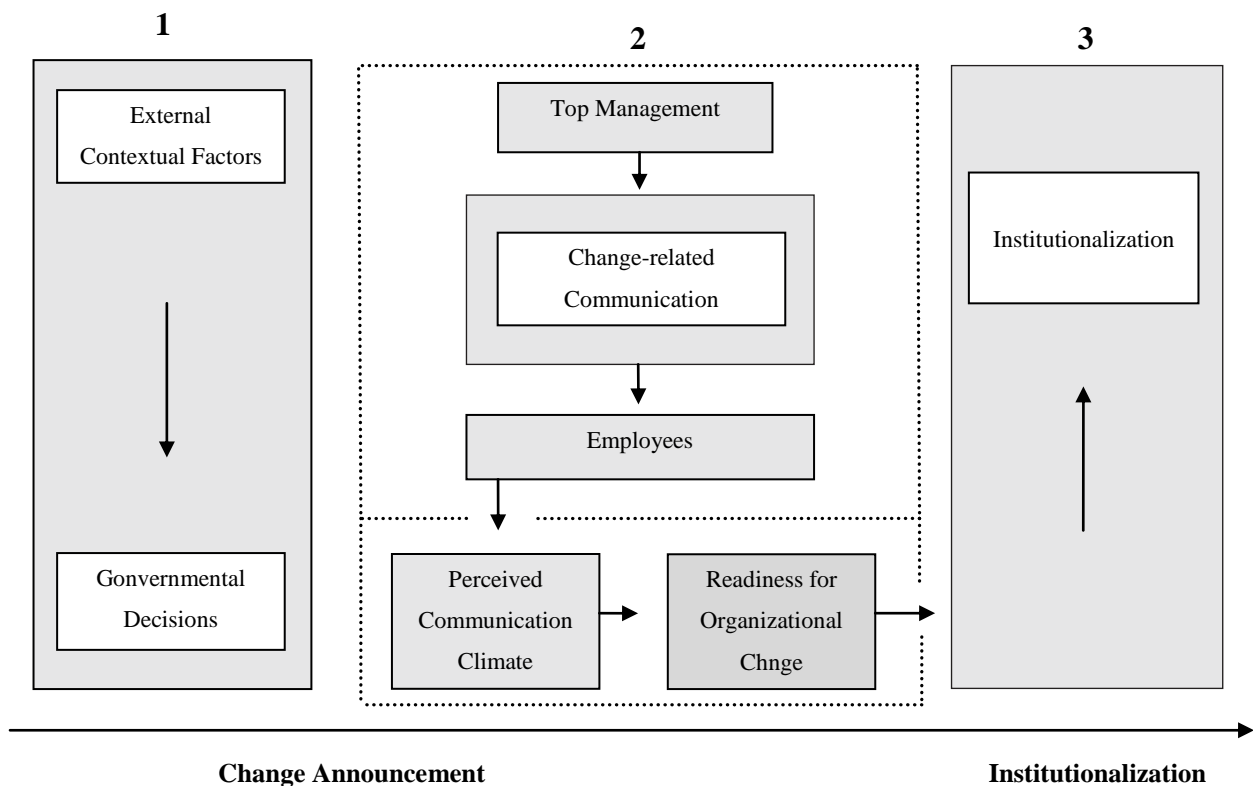
**KEY WORDS:** Mergers, public hospitals, communication, readiness for organizational change

## **Introduction**

Mergers represent an increasingly common phenomenon across both profit and non-profit organizations (Marmenout, 2010). External events triggered by the economic environment or government decisions might force organizations into change. To be able to react promptly has thus become a focal point for organizations to survive in an increasingly competitive setting. As such, the underlying motives and goals associated with mergers may vary. Mergers are often viewed as strategically-driven decisions seeking to create synergies in order to attain competitive edge, increase efficiency or enhance service delivery quality (Cartwright & Schoenberg, 2006). Simultaneously, mergers may also derive from an attempt to withstand the impacts of the aforementioned external contextual factors. In such cases, resource-dependent organizations have little or no control upon the decisions being taken. Facing the possibility of losing autonomy and discretion, organizations tend to respond defiantly towards change implementation. Nonetheless, when change is the result of a governmental policy, compliance is more likely to occur (Oliver, 1991). Previous studies have drawn little attention upon the communication variables related to merger processes. As such, this study proposes to fill what we believe to be an empirical gap, aiming to assess what are employee's attitudes towards organizational communication strategies following an externally-induced merger process. Organizational communication climate will impact employees' readiness for change, which will finally shape employees' commitment towards change. Furthermore, we will try to build upon the idea that different-sized organizations require a diversified communication approach, that is, a tailor-made change message designed to address specific needs of each organization.

The proposed model depicted in Figure 1, tries to enlighten on the impact of a change-related message on employees' readiness for organizational change according to a timeline representing the different stages of the change process. In the first phase, and as a result of external factors (e.g. government mandate), the merger is decided. Second, top management teams communicate the changes taking place, trying to engage all agents involved. This phase will be crucial for the adoption of change. If the change-related communication strategy turns out to be successful, employees will perceive change in a way that will contribute to promote readiness for organizational change, helping to reach the third and final stage, the institutionalization of change. Once reaching institutionalization change was greatly embraced and it is not likely to be reversed.

**Figure 1.** Proposed three-phase model to assess the role of the perceived communication



## **Literature Review**

Communication variables represent an important tenant of organizational change literature. However, empirical rationale exploring the linkages between communication variables and merger success is still scarce. Schweiger and DeNisi (1991) used a micro-level approach to measure the impacts of communication strategies on employees in an organization that had recently announced a merger. In this study, information about the process was conveyed asymmetrically as employees of one plant received a more detailed preview, whereas employees in the other plant received limited information. The results suggested that both quality and amount of communication about the merger influenced employees' attitudes towards organizational change. In the plant where the merger was under communicated, uncertainty increased, leaving employees susceptible to rumors which translated into anxiety, stress and job dissatisfaction – to what the authors called “dysfunctional outcomes”. Combined, faulty communication strategies and lack of information proved to lower employees' commitment towards change.

Adopting a more prescriptive approach, Kotter (1995) built up an eight-step model representing the eight most common mistakes in change management which top managers should follow (or at least acknowledge) when trying to promote change. In the fourth step of his model, the author emphasizes the importance of communicating efficiently the new vision. In order to attain this, managers ought to use every vehicle possible, and most important, their actions must be consistent with the message they try to convey. This model received general acceptance being commonly used as a caveat for large-scale organizational transformation.

Building on Kotter's model, Armenakis and Harris (1999) have identified change processes as having three singular, yet intertwined, phases all revolving around the conveyed message (i.e.

communication). In the first phase, readiness, collaborators get acquainted with the change, deciding whether or not to support it. The second, adoption, works as a trial period where changes are implemented allowing employees to experiment change. During this stage, proposed changes can still be rejected. The third phase, institutionalization, consists of reinforcing change so it can become internalized, apprehending some normative power.

According to Armenakis et al. (1999), in order to be effective, change message should address five components which relate to five different sentiments regarding change: (a) discrepancy; (b) appropriateness; (c) principal support; (d) personal valence and (e) efficacy.

Discrepancy tries to assess if the change is actually needed. That is, to know if the organization will benefit with the change (Katz and Kahn, 1978). Appropriateness focuses not only on the adequateness (if the change is needed) but also on whether or not individuals agree with that specific change. Principal support regards to the amount of effort and commitment that is demonstrated by the proponents of change. Employees will only be willing to embrace change after receiving an irrevocable sign of support. Personal valence focuses on the positive and negative outcomes associated with a given change process. That is, employees will assess if there are enough positive inducements associated with change. In the impossibility of recognizing positive outcomes related to change, resistance is more likely to occur. The last of the five components, efficacy, relates to confidence one has to cope with change and succeed adapting to new challenges (Bandura, 1986).

Qualitative evidence allowed to confirm that the aforementioned five-sentiment framework was a useful apparatus for guiding change implementation processes (Armenakis, Harris, Cole, Fillmer, Self, 2007). In this study, the five-sentiment framework is presented as a sound theoretical proposition in order to provide an answer to the “why?” of change implementation

failure. It is also proposed that change practitioners should re-conceptualize the label resistance – attributed to those recipients of the change message who actual struggle to embrace change – into a broader term, such as reluctance to embrace change (Armenakis & Bedeien, 1999).

Furthermore, besides the five message domains, a model was elaborated presenting three change message conveying strategies: (a) persuasive communication – communication should be made towards those involved in the change process; (b) active participation - consists of having people involved in the activities so they can learn about the proposed changes directly; and (c) managing internal and external information which consists of making other's views and perspectives available (Armenakis et al., 2002). Such models helped to explain that readiness for organizational change represents a multidimensional construct, which may vary depending, for example, on employees' beliefs and expectations. The underlying idea depicted in the two models is that they acknowledge communication as central in any change process (Armenakis & Bedeien 1999). Both frameworks (described above) seek to help those who struggle to change attempt to overcome difficulties.

More recently, light has been shed over organizational identification after mergers. Bartels et al. (2006), tried to offer a somewhat different contribution to the existing literature, by drawing attention toward the pre-merger scenario by studying the weight of pre-merger processes on post-merger identification. Hence, a study was conducted across different “soon-to-be-merged” police organizations. The purpose of this study was to determine employees' expected post-merger identification using a framework that included variables such as the perceived utility of the merger, sense of continuity and communication climate. Similar variables were assessed by Dick, Ullrich and Tissington (2006) who conducted a study throughout different phases of a hospital merger that took place in Germany. Results obtained in both studies enabled researchers

to draw fairly similar conclusions: post-merger identification is greatly influenced by pre-merger identification. Furthermore, both studies have emphasized communication as playing a key role fostering post-merger identification, particularly when used to stress new positive elements about the merged organizations.

Still under the scope of organizational identity, Clark, Gioia, Ketchen and Thomas (2010) conducted a study where they presented a model of organization identity change. The model developed aimed to address a merger process involving two organizations. The study tried to investigate how the top management teams of two rival hospitals - on the verge of being merged - could promote a favorable environment for change to be successfully implemented. The study indicated that the strategy used by the two managers consisted of suspending each organization's pre-existing identity, then building a new – shared- organizational identity. Factors such as the intense rivalry between organizations or divergences amongst health care stakeholders were described as potentially triggers for conflict after the merger took place.

The foregoing rationale seems to suggest a gradual paradigm shift in research on organizational change. In fact, for a long time, change literature was considered a somewhat cluttered set of theoretical propositions (Katz & Kahn, 1978). Research on organizational change was characterized as being “acontextual, “ahistorical” and “aprocessual.” (Pettigrew, 1987, 2012). The increasing prominence of in depth case studies - in which change and its impacts on organizations were studied for a longer period of time - supported the idea that context, content and process are embedded in the majority of change processes. Such factors represent the cornerstone for researchers attempting to gain a fully-fledged understanding on organizational change.



## **The human side of Change**

As mentioned earlier, there are particular circumstances within each organization that might undermine change endeavors. The idea of associating any sort of change with a complex process lays on a rather simple premise: it involves people (Kotter, 1995). The degree to which organizational change can be implemented is thus contingent on interpretation of the actual change vision/message by all the stakeholders (Rego & Cunha, 2007). Such interpretation is, unsurprisingly, influenced by each individual's beliefs, biases or even selfish interests (Tajfel & Turner, 1979). Evidence suggests that change attempts fall short partly due to the fact that managers and employees perceive change processes rather differently (Strebel, 1996). In fact, while some employees may address organizational change as an opportunity to learn and enhance competences, others may as well feel unease or even threaten by the smallest change attempt (Neves, 2011). Such uncertainty towards change might be magnified if manager's decisions somehow collide with organization's set of norms and values, affecting employees' sense of continuity (Bartels et al., 2006). Hospital stakeholders<sup>1</sup> have different demands, therefore, they tend to evaluate the impacts of change according to what they think best suits their (often mutually exclusive) interests (Clark, et al., 2010). Top managers might be focused on reducing operation costs, controlling debt, maximizing the existent resources. In its turn, employees will be more/less eager to embrace change depending on the personal benefits (or losses) that they might get in the process. In other words, employees' openness to change is dependent on the attractiveness of the outcome attached to the promoted change (Armenakis et al., 2007). Particularly relevant for this study, nurses have to be considered a key stakeholder since they represent the majority of the human capital as far as hospital operation is concerned.

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<sup>1</sup>See APENDIX I, figure 1: "The stakeholders of the Portuguese health care sector"

Finally, users will tend to evaluate the impacts of change under the scope of quality. Research indicated that hospitals tend to be highly resistant to change. Previous studies on hospital mergers suggested that the disturbance caused by unifying two organizations that until then operated separately may have a negative impact on the quality of care delivery, which is more likely to occur in the immediate aftermath of the merger (Angeli & Maarse, 2012). The politicized nature of the health care sector and the heterogeneity of the hospitals, composed by different professional tribes might give rise to intergroup conflict as a result of postmerger distress (Marmenout, 2010). In addition, physician's veto power is also commonly referred to as one of the factors responsible for hindering any change efforts (Pettigrew, 2012). To avoid resistance or even the eruption of conflict inside the organizations, communication should be addressed as a key dimension in both planning and implementing stages of the change process (Schweiger & Denisi, 1991). The importance of communication is broadly attributed to the fact that it provides employees a feedback apparatus in order to let managers know what are their perceptions regarding a specific change implementation attempt. On the other hand, managers can also use diversified communication vehicles in order to associate positive inducements to change, thus getting more supporters. In other words, the role of top management is to ensure that the change message is conveyed consistently in a way that what is communicated to employees finds a translation in what is then put into practice. That is the only way change agents have to engage others towards change (Kotter, 1995; Armenakis et al., 2002). The present paper intends to assess employees' perceived role of communication, during the merger. We anticipate that there might be some disturbance between Hospital (A) and Hospital (B) which might come in the form of different perceptions on the "discrepancy" and "appropriateness" of the merger. That is, we expect that employees' perceptions on the different

outcomes will exert some influence on their willingness/unwillingness to embrace change. As a result, we also expect those who evaluate communication climate poorly will also show less commitment towards change.

### **Research Context: Portuguese Health Care Sector**

Health care represents one of the most important sectors of the Portuguese economy (Barros 2009). The desire to trail the richest European countries as a far-reaching health care provider over the last decades was proven to be, not only unrealistic, but also unsustainable (OECD, 2011). The steep economic downturn and an uncontrolled public debt triggered the implementation of structural reforms, deriving from the financial assistance program that the Portuguese government agreed upon. In the beginning of 2011, hospitals across the country started being merged into larger, regional units. The main goal of this governmental decision was to create synergies across the merged organizations in order to widen the access of the provided health services and improve hospitals' overall cost-efficiency, thus building ground for economic and financial sustainability. Particularly relevant for the scope of this study, government has decided to merge a large-sized regional, recently renewed Hospital (A), with a not so big, yet fully operational Hospital (B) located in the outskirts of a fairly populated city. Together, both hospitals are responsible for providing care to a population of around 130.000 inhabitants. The merger plan consisted of establishing a joint management team that would comprise managers from both hospitals. In addition, after the merger, the top management team would be limited to 7 members responsible for administrating both hospitals. It is worth to mention that, unlike other merger plans implemented across the country, this specific merger plan did not account for the possibility of having to shut down the smaller hospital, in this case

hospital (B). Nonetheless, the entire management team was (and will be) located permanently at the hospital (A).

## **Method**

### *Sample and Procedure*

Participants were randomly picked full-time nurses who worked in different units at hospitals (A) and (B). A total of 19 nurses agreed to participate in this study. From the overall sample, 10 interviewees worked for organization (A) whereas 9 worked for organization (B). The majority of nurses interviewed were women (89%). In depth interviews were conducted in order to attain significant data on employees' cognitions over the merger. Interviews consisted of ten open questions, conversational-style, where interviewees were given instructions to address all the related topics that they considered important, including past episodes they might felt as being relevant for each question they were being asked. Interview length averaged 30 minutes. To analyze collected data we adopted a constant comparative method (Glaser, 1967).

### *Measure*

The methodological framework adopted was based on Armenakis et al's, (1999) model of readiness for organizational change, from which we have adapted four dimensions: (a) discrepancy (b) appropriateness; (c) personal valence; (d) principal support and to which we included participation in the decision-making process. In order to measure communication climate, three dimensions were used: (1) information adequacy; (2) confidence and credibility and (3) openness (Dennis, 1974).

In addition, attention was drawn upon the possible relationship between tenure at the hospital and the abovementioned dimensions. As such, interviewees' tenure at both hospitals was spread

as evenly possible, thus: 21% of the interviewees have worked at either hospital (A) or (B) for less than 3 years; 32% have worked there between 3 and 10 years; 26% have worked there between 11 and 20 years and, finally, a last group of nurses, who have worked at either hospital (A) or (B) accounted for 21% of the total interviewees.

**Table 1.** Change-related dimensions linked to 10-Question Interview conducted for this study.

<b>TABLE 1.</b>		<b>Interview Questions</b>
<b>Change-Related Dimensions &amp; Communication Climate</b>	<b>Discrepancy &amp; Appropriateness</b>	<b>Q1</b> – “What is opinion about the merger? <b>Q2</b> – “Can you identify any benefits? Which? And difficulties? And difficulties? Which?”
	<b>Personal Valence</b>	<b>Q3</b> - “How is your job after the merger?” <b>Q4</b> – “What were your expectations?”
	<b>Principal Support</b>	<b>Q5</b> – “What is your opinion regarding top management’s role in the entire process?”
	<b>Participation in the decision making process</b>	<b>Q6</b> – “Despite being a government decision, but were you invited to take part in the merger of the two hospitals?”
	<b>Information Adequacy</b>	<b>Q7</b> – “Has the merger been properly discussed with you?”
	<b>Credibility &amp; Trust</b>	<b>Q8</b> – “Do you trust the information you are given?” <b>Q9</b> – “Does grapevine (i.e. rumors) exist in your organization?”
	<b>Openness</b>	<b>Q10</b> – “Can you openly express your disagreement regarding a top management decision?”

## Results

After having conducted all the interviews, an analysis map was built in order to bring together all the recorded answers once this seemed the most appropriate way to interpret all the answers and also to infer possible patterns across the different interviewees' answers. It is worth to mention that important information retrieved during the interview was acquired through non-verbal communication. Furthermore, some interviewees' answers proved to be more informative than others. As such, quotes of those answers we believe were the most informative regarding the analyzed change-related dimensions have been compiled in two different tables. Each table represent, respectively, quotes gathered in Hospital (A) and Hospital (B). Tables can be found on "Appendix II" and "Appendix III".

### *Discrepancy & Appropriateness*

In what regards question 1 "What is your opinion about the merger?" and question 2 "Can you identify any benefits? Which? And difficulties?" interviewees' answers were largely consistent. The majority of the nurses who have agreed to participate in this study were able to uphold the need for the merger, as well as to identify some advantages deriving from the merger. Nonetheless, 90% of the interviewed nurses at Hospital (A) have recurrently identified advantages ("*Resources will be better allocated*"; "*There will be more control*") whereas interviewees at Hospital (B) pinpointed the need for the merger, yet without identifying noticeable advantages ("*The idea is to save money*"; "*We must cut back expenses*"). Only one interviewee (working for hospital (A)) was able to identify a possible disadvantage associated with the merger process: hospital (A) would accumulate hospital (B) debt.

### *Personal Valence*

For question 3 “How is your job after the merger” and question 4 “What were your expectations”, there was a clear mismatch between the different hospital’s employees. Around 85% of the interviewed nurses at hospital (A) did not perceive major changes related to their job after the merger. The only anticipated change referred to the guidance/tutorial that nurses at hospital (A) would have to provide towards incoming nurses at hospital (B).`

On the opposite side, nurses at hospital (B) perceived the merger as having direct consequences on the way they performed their tasks. First, due to the fact that they could, at any moment, be assigned to hospital (A). Second, they did not know when that could occur. Hence, a high level of uncertainty was reported during the interviewing process when talking about the perceived benefits/burdens associated with the merger among nurses who worked in hospital (B). Regarding this particular dimension, a linkage was found between organizational tenure and the recorded answers. Recurrently, those who stated that his/her job could be affected by the merger were the nurses working at less than 3 years.

### *Principal Support*

Regarding question 5 “What is your opinion regarding top management’s role in the entire process?” we tried to infer how nurses appraised top managers’ role leading change processes since the announcement of the merger up until the present date. The general idea conveyed by interviewees at both hospital (A) and (B) is that top managers were not responsible for the decision-making process behind the merger and, therefore, they were appraised positively. Furthermore, recorded answers indicate the existence of a consensus among nurses believing that managers are doing their best. Moreover, nurses from the smaller-sized hospital (B) have

shown in their answers some sympathy towards their managers since they knew some of the managers would be reallocated to hospital (A) whilst others would be fired. This apparent consensus regarding top managers might be explained by the early stage of the merger. There was still not enough time for nurses at both hospitals to assess whether or not their expectations would be fulfilled. Such fact anticipates curiosity regarding how nurses will react if what are their expectations at this point in time see no translation to the reality in the future.

#### *Participation in the decision-making process*

For question 6 “Despite being a government decision, were you invited to take part in the merger of the two hospitals?” Interviewees used recurrent expressions, such as “*that’s all about politics*”, or “*that is for managers to decide*”, showing a remarkable homogeneity. The majority of the interviewed nurses reported that they did not have any type of participation whatsoever, either in the planning stages of the merger or during the implementation phase. Interestingly though, two of the interviewees stated that participation was not essential. Only two of the interviewees declared they would have been pleased if asked to participate in the decision-making process. Recorded answers were similar across the two hospitals.

#### *Information adequacy*

In question 7 “Has the merger been discussed with you?” we tried to infer employee’s perceptions on communication climate dimension. Answers recorded during the interviews were somewhat different. In fact, interviewees’ answers show a high heterogeneity in the nurses’ perceptions regarding the quality and the amount of information being received. Nearly half of the interviewees, at both hospitals, answered that they were kept informed about the merger and all the changes that had taken place during the process. Internal memos, meetings, newsletters on



the each hospital unit's intranet were pinpointed as the most commonly used vehicles to share/access information. However, on the opposite side, an almost equal number of interviewees stated that they had not been informed properly about the ongoing merger process nor briefed about past or future decisions. Interviewed nurses at hospital (B) pointed that they felt they were not well informed mainly due to the fact that important meetings and workshops about the merger were held at hospital (A).

### *Credibility & Trust*

Still under the scope of the communication climate, question 8 “Do you trust the information you are given?” and question 9 “Does grapevine (i.e. rumors) exist in your organization?” tried to enlighten on the reliability of the information within the two hospitals, as well as to assess the role played by rumors and grapevine on employees' cognitions throughout the change process. Again, the answers recorded during the interviews point towards different directions. A group of nurses answered that the information being conveyed is often biased corresponding only slightly to what is really going on the organizations.

On the contrary, other interviewees indicated that the information they received was reliable and had its translation on what was after done. The acknowledgement of grapevine was a recurrent element across interviewees' answers. Approximately 75% of the interviewees acknowledged the existence of rumors across their organization. This was noticeable in comments like, “*if there is people there are rumors.*”; “*grapevine is just another vehicle of communication*”.

Moreover, interviewed nurses characterized grapevine as a somewhat normal vehicle for inter-organization communication. Nonetheless, interviewees appeared reluctant to admit they also take part in rumors. Acute observation allowed us to notice some inconsistencies in 15% of the interviewed nurses' answers. For example, at the same time they denied or stated that they tried

to keep away rumors, they answered other questions using “*I have heard that...*” or “*I have been told that.*” which indicated that grapevine has in fact a much bigger impact that we were actually told.

### *Openness*

Lastly, for question 10 “Can you openly express your disagreement regarding a top management decision?” we tried to deepen our view on the perceived top-management openness towards criticism and what was generally the organization’s reply to internal disagreement. Recorded answers seem to indicate two different concerns among nurses from each hospital. At hospital (A) interviewed nurses recurrently mentioned past events associated with retaliation or pressures that were undertaken against someone who openly stated his/her disagreement. As for the hospital (B), nurses stressed the difficulty to find someone to talk to. The idea that was conveyed by interviewed nurses at Hospital (B) is that there is openness and willingness from top management to address employees’ concerns, but managers are usually absent which creates additional barriers when there is a need to solve problems or report an important happening. In this dimension was also possible to relate organizational tenure with the answers that were recorded. Nurses within the first tenure interval (less than 3 years) recurrently stated that they had no problems and that they could express their opinion freely, by stating that “*we can leave our opinions in the HR department*”, whereas 85% of the nurses within the last tenure interval (who worked at either hospital for more than 20 years) rather consistently said that they could not express their disagreement openly due to fear of retaliation. (“*It is possible to express your opinion but it might be not very welcomed.*”).

## Discussion

This study attempted to analyze the merger of two Portuguese public hospitals. The methodological path followed in this study was somewhat different if compared to other studies using change-related variables. As such, we adapted a well established and widely accepted framework of readiness for organizational change (Armenakis et al., 1999). Our goal was to compare both hospitals in an attempt to find communalities and discrepancies on how change was being conducted, specifically, on how the change-related message was being conveyed across both hospitals.

The influence of the contextual external factors such as the economic crises and the need to holdback public expense (Oliver, 1991) contributed to the pervasive notion, across both hospitals, that the merger was almost inevitable, thus the similarity of answers recorded for discrepancy and appropriateness variables. The apparent inevitability of the merger explains the answers recorded in most of the analyzed variables, particularly for principal support. The idea that top managers had little responsibilities over the changes that have been implemented helped interviewed nurses to perceive manager's role during the merger positively. Trust in top managers is thus irrevocably attached to resistance to change. That is, the higher the trust in top management teams less likely it is to resist or undermine change endeavors (Neves & Caetano, 2006). Patterns were found in the question relating to organizational openness. For example, nurses who worked for a longer period at hospital (A) reported that they felt pressured not to share their disagreement out in public. Inversely, nurses who worked for a shorter period said they were encouraged to share their opinions. As for the nurses of hospital (B) the main difficulties acknowledged related to the fact that whenever there was a problem (of any sort) they could not find any support from the managers since they were moved to hospital (A).

We believe that the existence of asymmetric expectations, associated with the miscommunication of change, might pose a serious threat for the successfulness of this merger. Such discrepancy in terms of the expected outcomes was most noticeable when analyzing the personal valence variable. For this specific variable it was rather evident that the perceived impacts of the merger diverged. While nurses at hospital (A) reported that they expected little or no changes in their jobs, nurses at hospital (B) revealed many concerns regarding the possibility of having to change their job place from hospital (B) to hospital (A). Such concerns were amplified when we interviewed nurses with the least organizational tenure, who had been working at hospital (B) for less than 3 years. Building on this notion, we found uncertainty to be higher among nurses working at hospital (b), particularly among those nurses who have worked for a shorter period of time at the organization and thus will be more susceptible from suffering with the implementation of changes.

All in all, our findings support the idea that organizational communication climate does have an impact on employees' readiness for organizational change. Furthermore, employees' capacity to discern and evaluate changes being implemented is still greatly influenced by the reminiscences of what their organization used to be in the pre-merger period (Bartels et al, 2006).

It seems still too early to take a stand on whether this was a successful merger, or just another failed attempt to bring together two entirely different organizations (Marmenout, 2010). As for the future, and according to the evidence gathered, we believe that the success of this merger will be highly contingent on top managers' capacity to create specific measures and mechanisms to address each hospital's problems rather than use a general approach.

## **Limitations**

The use of a qualitative research method has its limitations, particularly when adapting an existing framework to guide our questions (Armenakis et al., 2002). Moreover, subjectivity is ingrained in the use of constant comparison method to analyze data (Glaser, 1967). Finally, the unwillingness of the hospital board to provide access inside the organizations to conduct interviews posed as a serious challenge to collect data for this study. To surpass this difficulty the majority of the interviews included in this study were conducted outside the hospitals, during nurses' day off. Still, we believe that the 19 interviews conducted were enough to reach data saturation regarding the different variables under study.

## **Conclusions**

This study shed light on the role of communication as an important gear for organizational change, particularly, during a large scale organizational change such a hospital merger. As such, and according to the empirical evidence gathered during this research, we can conclude that different-sized organizations have different communication needs, particularly when facing a changing environment. As such, isq in the top management's best interests to create a customized change-communication strategy in order to better address the aforementioned communication needs, but also in an attempt to foster employees' engagement and commitment towards change.

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## Appendix I

**Figure 1.** Stakeholders of the Portuguese health care sector (source: Deloitte, 2011).

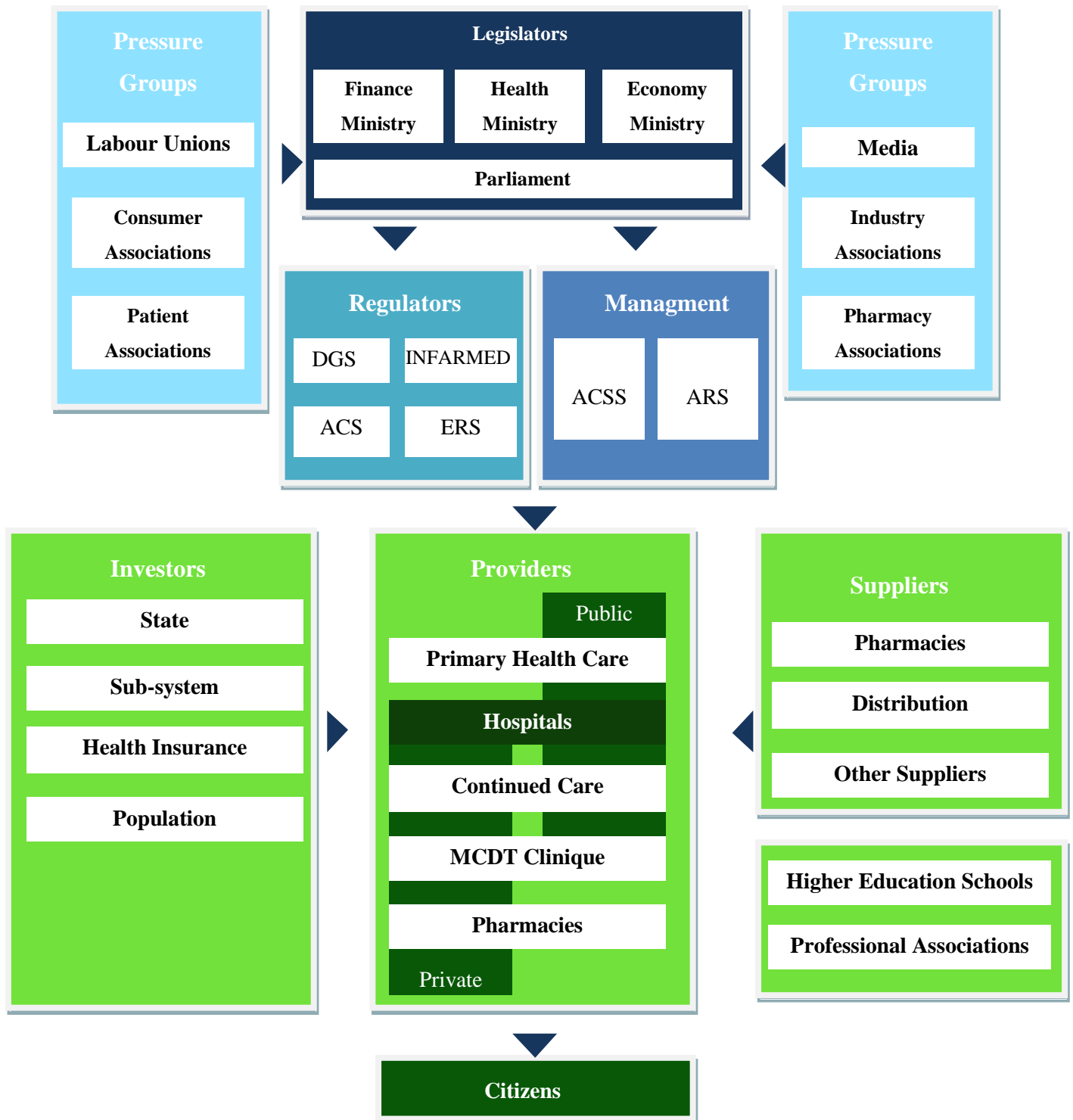




TABLE 1	Quotes – Interviewees Hospital (A)	
Change-Related Dimensions & Communication Climate	Discrepancy & Appropriateness	<p>Q1 – “With the <b>crises</b> and all we have to <b>cut back expenses</b>, that’s it...”</p> <ul style="list-style-type: none"> <li>• “It all comes down to reduce costs and try to be <b>more efficient</b>.”</li> <li>• “I think that all as to do with <b>numbers</b>...”</li> <li>• “Cost reduction...”</li> </ul> <p>Q2 - “Resources are <b>better allocated</b>.” “<b>Expands</b> the "area of influence”</p> <ul style="list-style-type: none"> <li>• “ I think it brings <b>more advantages than</b> disadvantages”</li> <li>• “ Things are being <b>done properly</b></li> </ul>
	Personal Valence	<p>Q3- “HR staff that came from hospital B” They lag behind in the emergencies in the trial of patients; “Everything is the same, at least in my unit.”</p> <ul style="list-style-type: none"> <li>• “ In <b>my unit</b> I did <b>not notice</b> changes”</li> <li>• “ In <b>my unit</b> we did <b>not witnessed major changes</b>”</li> </ul> <p>Q4- “It requires <b>time to adapt</b>”; “We, the “<b>older ones</b>” have to adapt to all the new bureaucracies”</p>
	Principal Support	<p>Q5 – “They are <b>trying</b> to do <b>their best</b> I guess...”</p> <ul style="list-style-type: none"> <li>• “ They are on top, they have to give a <b>good example</b>, I think they have done it”</li> <li>• ” They have <b>goals to achieve</b> and that’s <b>all that matters</b> for them.</li> <li>• "I <b>don’t</b> exactly have an opinion about that (...) I <b>just do my job</b>...”</li> </ul>
	Participation in the decision making process	<p>Q6 –</p> <ul style="list-style-type: none"> <li>• “<b>They decide</b>, take action and only at the very end they ask us to evaluate....”</li> <li>• “Only in our dreams maybe...(laughs)”</li> <li>• “It <b>would be important to gather everyone</b>, we were not asked anything!”</li> </ul>
	Information Adequacy	<p>Q7 “<b>Different sources of information</b> are available”</p> <ul style="list-style-type: none"> <li>• “Information is made by internal memos, intranet, meetings and workshops”</li> <li>• "We were informed only after the decision was already taken."</li> <li>• “I was <b>not informed</b> and the changes weren't discussed at all</li> </ul>
	Credibility & Trust	<p>Q8 – “<b>Yes</b>, have no reasons not to”; “Information is a bit <b>biased</b>”; “There is a <b>mismatch</b> between what we’re told and what is then implemented”.</p> <p>Q9 – “ I have <b>noticed rumors even before I started working here</b>”</p> <ul style="list-style-type: none"> <li>• "Where <b>there are people....exists grapevine</b> I would say.”</li> <li>• "I don't know much about rumors.”; “</li> <li>• "Grapevine is just another <b>vehicle for communication I guess</b>...”</li> <li>• "I try not to fuel grapevine, I rather be sure what I’m told so I won’t have problems...”</li> <li>• If there are rumors I did not notice, since I am always in the middle of something..”</li> </ul>
	Openness	<p>Q10 – “I have heard about some <b>retaliation</b> and people who <b>had problems</b> after expressing their opinion...”; “Whenever I want to say something it all has to be well thought/weighted so I don't get the risk of being misinterpreted”; “Directly I might not suffer any retaliation, but sooner or later.... (...) In the past there were few cases where...”</p> <ul style="list-style-type: none"> <li>• “It is possible, yet it might be not very welcomed”</li> </ul>

TABLE 2	Quotes – Interviewees Hospital (B)	
Change-Related Dimensions & Communication Climate	Discrepancy & Appropriateness	<p>Q1 – “We listen everywhere, that we have to save and to <b>cut expenses</b>. That’s the main idea I think.”</p> <ul style="list-style-type: none"> <li>• “The idea is to <b>save money</b>...”</li> <li>• “There is <b>no money</b> so we have to change some things...<b>its normal</b>...”</li> </ul> <p>Q2 “I don't know if it will be good or not..I <b>need more time to see</b>...”</p> <ul style="list-style-type: none"> <li>• “ If it works out just as "advertised" then I think <b>it might be good</b>”</li> <li>• “Get <b>closer to users</b>, keeping the service delivery and to <b>maximize resources</b>...Saving money if possible.”</li> </ul>
	Personal Valence	<p>Q3- “Maybe I will have to go to hospital (A).. <b>I don't know yet</b></p> <ul style="list-style-type: none"> <li>• The youngest employees will be assigned for the "<b>special mobility program</b>"</li> <li>• “<b>I don’t know if I’ll be able to stay here</b>...” ; “If they need us “there” we have no choice”.</li> </ul> <p>Q4- “Now it will depend on the number of users..”; “ Some professionals <b>might have to go</b> work elsewhere...”</p>
	Principal Support	<p>Q5 – "I think they do the <b>best they can</b>..”</p> <ul style="list-style-type: none"> <li>• "Since I got here, <b>managers changed twice!!</b>”</li> <li>• “They are doing <b>what they are told to do</b>.”; “They should talk more with us here and not in only in the other hospital!”</li> <li>• “<b>I don’t exactly have an opinion about that (...)</b> <b>I just do my job</b>...”</li> </ul>
	Participation in the decision making process	<p>Q6 –“That’s about <b>politics</b>...Issues for our bosses to take care of”</p> <ul style="list-style-type: none"> <li>• “It is almost <b>impossible to ask everyone’s opinion</b>”.</li> <li>• "I don't know..." (...) "At least for me I was not asked anything..."</li> <li>• "Participation? No, <b>that’s for managers to decide</b>...”</li> <li>• “No, the only participation we have (if you want to call it that) is when we answer some surveys" (...) "That is it!”</li> </ul>
	Information Adequacy	<p>Q7 “There were <b>meetings</b>.”</p> <ul style="list-style-type: none"> <li>• “We are told the most important things, we have meetings and so on...”</li> <li>• “ Yes <b>we were informed</b>, particularly by those <b>managers who told us that they would leave the institution</b>”</li> <li>• “<b>I don’t think I was fully informed</b>..Some meetings were held in hospital (A)...”</li> </ul>
	Credibility & Trust	<p>Q8 – "There are still many things to be decided so we can never trust 100% what we are told”; “ Despite my short time here, I would say yes, we can trust information..”</p> <p>Q9 – "Every time there are some <b>stories and comments going around</b>, yes..”</p> <ul style="list-style-type: none"> <li>• "Right now, it is a "<b>rumor</b>" whether or not I go and work for hospital (A) or stay here.”</li> <li>• "Grapevine is <b>natural</b> in every organization...”</li> <li>• "<b>No</b>, I don't think rumors have a great impact...”</li> <li>• "At the end of the day things <b>are discussed among us</b>....."</li> </ul>
	Openness	<p>Q10 – "Now is probably more difficult since managers are never here or are very busy.." (...)</p> <ul style="list-style-type: none"> <li>• "We can leave our opinions with HR department”</li> <li>• “If I have a problem there is no problem to talk or write to unit chief or manager”</li> <li>• “Main problem would be to find someone here to talk to...”</li> </ul>